

Changes Decisions

Legislative changes over recent years have resulted in some confusion for service men and women with regard to retirement.

Understanding your options is critical in making sound decisions that effect you beyond your Air Force career.

Determining what options apply to you and which of those options best suits you is a decision only you can make.



Decision Time

Look for other informative fact sheets on topics affecting you career decisions:

- ~ *Reenlistment* ~
- ~ *Benefit Updates* ~
- ~ *Retraining* ~
- ~ *Commissioning* ~
- ~ *Assignments* ~



Still have questions...?
Stop by or call your
Career Assistance

Advisor

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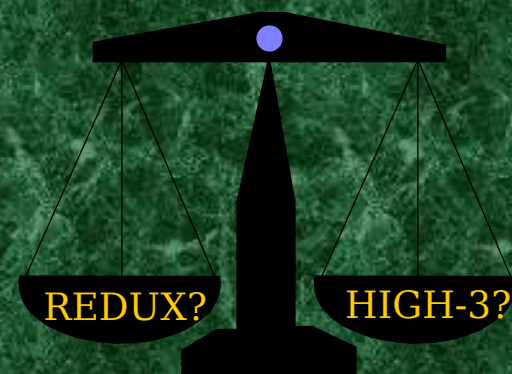
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*"Together
we'll make the right decision!"*

Career Fact Sheet

Did you know...?

Retirement



Provided by:

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Know

Your Plan!

There are three retirement plans under which a service member falls. Which one applies to you?

PLAN-A (50% @ 20)

WHO:

Entered active service prior to 8Sep80

PAY:

Based on multiplier times basic pay at time of retirement

PLAN-B (High-3)

WHO:

Entered active service between 8Sep80 - 31Jul86

PAY:

Based on multiplier times basic pay of high-36 month average

PLAN-C (REDUX)

WHO:

Entered active service 1Aug86 or later

PAY:

Based on multiplier times basic pay of high-36 month average minus 1% for each year < 30 years

When should you apply for retirement?

No earlier than 12 months in advance.

No later than 120 days from desired retirement date (plus terminal & permissive leave)

Important to know!

REDUX REPEAL Options

Due to great concern over the REDUX plan, legislative changes have been enacted to alleviate inequities.

Members that fall under REDUX will be offered a choice of retirement plans at their 1

Option-1

Revert to Plan-B (High-3)

Option-2

Elect the REDUX plan plus a \$30K (taxable) Career Retention Bonus (CRB) to be paid at the 15 year point with a service commitment of 20 years.

More on High-3

* 2.5% added to multiplier each year (20yrs=50% 30yrs+75%)

* Multiplier applied against average basic pay for highest 36 months of individual's career

* Annual COLA increases are based on the Consumer Price Index (CPI). Under High-3 COLA is equal to CPI.

Date is determined by member's Date Initially Entered Military Service (DIEMS)

Need more info? Check out this website!

<http://pay2000.dtic.mil/>

REDUX + \$30K

Under REDUX + CRB, retirement pay is computed at 40% of basic pay with a 3.5% increase each additional year after COLA is calculated at 1% below CPI.

Yrs of service	20	22	24	26	28	30
REDUX	40%	47%	54%	61%	68%	75%
High-3	50%	55%	60%	65%	70%	75%

Each year prior to 20 is worth 2%; each year after is

Re-Computation at Age 62

Two adjustments are made to the retirement pay at age 62. First, the multiplier adjusted to be the same as High-3 (i.e. 50% @ 20).

Second, a one-time adjustment to COLA is applied, which makes REDUX and High-3 retirement salaries equal. However, COLA in following years will again be calculated at CPI minus 1%.

Sound Confusing??

Let's get together and talk about it.



\$\$\$\$\$ \$30,000 BONUS \$\$\$\$\$

Bonuses will be paid shortly after the member elects this option and agrees to a 20-year commitment.

If member fails to complete this obligation, repayment will be prorated.